

UC San Diego Guidelines for New Endowed Chairs Effective January 1, 2015

These guidelines apply to all endowed chairs and chair appointments established after January 1, 2015. Departments are responsible for ensuring appropriate practices related to these commitments and should expect to report annually to their Dean and the Office of Donor and Fund Stewardship on activities related to these chairs.

Endowed Chairs

General Campus minimum: \$1,000,000; Health Sciences minimum: \$2,000,000; Marine Sciences minimum: \$2,000,000

- Five year term and renewable, unless gift agreement requires another approach.
- **Annual Payout**, assuming 4.75% payout (60 month average, less .55 in admin) is approximately \$40K/\$80K initially:
 - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
 - **Benefitting Department or Unit – remainder of payout (N-\$25,000)** [e.g., academic year salary support for chair holder or support for graduate students in research area of the chair holder]

Endowed Administrative Chairs

Deans/Chairs: \$3,000,000 minimum; Vice Chancellors: \$5,000,000

- **Annual Payout:**
 - **\$25,000** at discretion of chair holder
 - **Remainder of payout (\$N - \$25,000)** towards salary of chair holder.

Special Endowed Chair Initiatives

2014 Presidential Match Endowed Chair Program

UCOP's established procedures require the creation of two funds: a \$500,000 minimum Donor Fund (provided by the donor) and a \$500,000 Matching Regents Fund (provided by the President).

- **Annual Payout:**
 - **Donor Fund** – for department/unit support in the form of faculty salary and/or graduate fellowships for the benefit of the chair holder.
 - **Matching Regents Fund (FFE)**, assuming 4.75% payout (60 month average, less 0.55 in admin) is approximately a 4% payout on the market value as of the end of any given year.
 - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
 - **Benefitting Department or Unit – remainder of payout (N-\$25,000)** [e.g., academic year salary support for chair holder or support for graduate students in research area of the chair holder]

- To assure parity between the scholarly payout from these Presidential Chairs and the scholarly payout from other endowed chairs, until the Matching Fund meets its payout goal of \$25,000 to the chair holder for scholarly support, the department/unit will provide gap funding. For example, if the first year payout from Matching Fund is \$20,000, the department would contribute \$5,000 from other sources to provide scholarly support.

2015 Chancellor's Endowed Chair Challenge (Ladder-Rank Faculty Only)

General Campus minimum: \$1,000,000; Health Sciences minimum: \$2,000,000; Marine Sciences minimum: \$2,000,000

- Each endowed chair will also be funded with a \$500,000 Chancellor's match as an FFE in the Regents to augment the minimum donor investment
- These chairs will be called the "XXX (donor name) Chancellor's Endowed Chair in the Division/School YYY."
- **Annual Payout:**
 - **Donor Fund** – for department/unit support in the form of faculty salary and/or graduate fellowships for the benefit of the chair holder.
 - **Chair holder – \$25,000** scholarly allowance at discretion of chair holder [e.g., GCCP or Y component, grad or post-doc support, research support, scholarly travel]
 - **Benefitting Department or Unit – remainder of payout (N-\$25,000)** [e.g., academic year salary support for chair holder or support for graduate students in research area of the chair holder]
 - Any salary savings (including those from self-supporting programs) would revert to the appropriate academic Vice Chancellor. Current expenditure and stewardship policies for endowed chairs apply.
 - **Matching Chancellor's Fund (Regents FFE)** – Payout must be used towards payment of the state-funded academic year salary of the chair holder, NOT summer salary, General Campus Compensation Plan (GCCP), or the Y component of Health Sciences Compensation Plan (HSCP).

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Endowed Chair Terms for New Appointments

Per policy (APM 230-8), a chair holder may be appointed for the duration of his/her term as a member of the UC San Diego faculty or for a specified term. Renewal is subject to a review process. Effective January 1, 2015, all appointments will be made for a specified term of up to five (5) years, unless the university-donor gift agreement dictates otherwise.

Managing Endowed Chair Payout

Appointments prior to January 1, 2015, have a grandfather provision for existing chair holders; switch to new payout rules when the chair holder changes, if consonant with gift agreement. Existing chair holders may transition to the new rules voluntarily at the time of the five year review/reappointment.

Commitments to retiring or separating chair holders regarding access to fund balances for a transitional period require prior approval by the EVC. A formal request that includes appropriate justification, amounts, timelines, and impact to filling the chair will be needed. Decisions to move unspent balances back to principal require the Chancellor's approval. A request that includes appropriate justification will be needed.

Access to unspent balances on vacant chairs requires EVC's and donor's approval. A request that includes appropriate justification and the impact to filling the chair will be needed.

Per policy, payout balances are to be expended annually. Payout accumulations beyond 2 years, such as accumulation for a specific purpose, require an expenditure plan and Dean's approval.

The UC San Diego Foundation's Stewardship Committee may periodically request a report on endowed fund balances.